

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

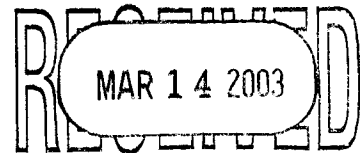
**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**



E-01749A  
Graham County Electric Cooperative, Inc.  
P.O. Drawer B  
Pima AZ 85543-0000

**ANNUAL REPORT**

ARIZONA CORPORATION  
COMMISSION



Director of Utilities

**FOR YEAR ENDING**

<b>12</b>	<b>31</b>	<b>2002</b>
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FOR COMMISSION USE

<b>ANN 0/</b>	<b>02</b>
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*3-14-03  
O.M.  
Graham County Electric  
Cooperative  
O.M.*

## COMPANY INFORMATION

**Company Name (Business Name)** Graham County Electric Cooperative, Inc.

**Mailing Address** PO Drawer B

Pima  
(Street)  
(City)

Arizona  
(State)

85543  
(Zip)

(928) 485-2451

(928) 485-9491

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** russeb@gce.coop

**Local Office Mailing Address** PO Drawer B

Pima  
(Street)  
(City)

Arizona  
(State)

85543  
(Zip)

(928) 485-2451

(928) 485-9491

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** russeb@gce.coop

## MANAGEMENT INFORMATION

**Management Contact:** Russ Barney Finance Manager

(Name)

(Title)

PO Drawer B  
(Street)

Pima  
(City)

Arizona  
(State)

85543  
(Zip)

(928) 485-2451

(928) 485-9491

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** russeb@gce.coop

**On Site Manager:** Steve Lines

(Name)

PO Drawer B  
(Street)

Pima  
(City)

Arizona  
(State)

85543  
(Zip)

(928) 485-2451

(928) 485-9491

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** stevel@gce.coop

**Statutory Agent:** Leven B. Ferrin

(Name)

1536 Cherokee Lane

Safford

Arizona

85546

(Street)

(City)

(State)

(Zip)

(928) 428-1602

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** Michael M. Grant

(Name)

2575 East Camelback Road

Phoenix

Arizona

85016-9225

(Street)

(City)

(State)

(Zip)

(602) 530-8000

(602) 530-8500

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ **Sole Proprietor (S)**

☐ **C Corporation (C) (Other than Association/Co-op)**

☐ **Partnership (P)**

☐ **Subchapter S Corporation (Z)**

☐ **Bankruptcy (B)**

☒ **Association/Co op (A)**

☐ **Receivership (R)**

☐ **Limited Liability Company**

☐ **Other (Describe)** \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ **APACHE**

☐ **COCHISE**

☐ **COCONINO**

☐ **GILA**

☒ **GRAHAM**

☐ **GREENLEE**

☐ **LA PAZ**

☐ **MARICOPA**

☐ **MOHAVE**

☐ **NAVAJO**

☐ **PIMA**

☐ **PINAL**

☐ **SANTA CRUZ**

☐ **YAVAPAI**

☐ **YUMA**

☐ **STATEWIDE**

## SERVICES AUTHORIZED TO PROVIDE

Check the following box/s for the services that you are authorized to provide:

☒ **Electric**

- ☐ Investor Owned Electric
- ☒ Rural Electric Cooperative
- ☐ Utility Distribution Company
- ☐ Electric Service Provider
  - ☐ Transmission Service Provider
  - ☐ Meter Service Provider
  - ☐ Meter Reading Service Provider
  - ☐ Billing and Collection
  - ☐ Ancillary Services
  - ☐ Generation Provider
  - ☐ Aggregator/Broker

☐ **Telecommunications**

- ☐ Incumbent Local Exchange Carrier
- ☐ Interexchange Carrier
- ☐ Competitive Local Exchange Carrier
- ☐ Reseller
- ☐ Alternative Operator Service Provider

☐ **Gas**

- ☐ Natural Gas
- ☐ Propane

☐ **Other (Specify)** \_\_\_\_\_

\_\_\_\_\_

## STATISTICAL INFORMATION

### TELECOMMUNICATION UTILITIES ONLY

Total residential access lines	_____
Total business access lines	_____
Total revenue from Arizona operations	\$ _____
Total income from Arizona operations	\$ _____
Value of assets used to serve Arizona customers	\$ _____
Accumulated depreciation associated with those assets	\$ _____

**STATISTICAL INFORMATION (CONT'D)**

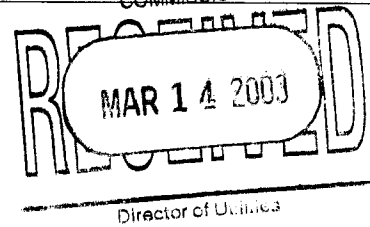
**ELECTRIC UTILITY PROVIDERS ONLY**

Total number of customers	_____ 2 _____
Residential	_____ 6,329 _____
Commercial	_____ 696 _____
Industrial	_____ _____
Public street and highway lighting	_____ 3 _____
Irrigation	_____ 396 _____
Resale	_____ _____
 Total kilowatt-hours sold	_____ kWh
Residential	_____ 55,902,595 _____
Commercial	_____ 44,572,578 _____
Industrial	_____ _____
Public street and highway lighting	_____ 177,000 _____
Irrigation	_____ 22,523,689 _____
Resale	_____ _____
 Maximum Peak Load	_____ MW

**GAS UTILITIES ONLY**

Total number of customers	_____
Residential	_____
Commercial	_____
Industrial	_____
Irrigation	_____
Resale	_____
 Total therms sold	_____ therms
Residential	_____
Commercial	_____
Industrial	_____
Irrigation	_____
Resale	_____

# VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only

**VERIFICATION**STATE OF ArizonaI, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME) <u>Graham</u>	
NAME (OWNER OR OFFICIAL) TITLE <u>Steve M. Lines</u>	<u>General Manager</u>
COMPANY NAME <u>Graham County Electric Cooperative, Inc.</u>	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION****FOR THE YEAR ENDING**

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2002</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 11,784,209

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 667,729  
IN SALES TAXES BILLED, OR COLLECTED)

\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

Steve M. Lines  
SIGNATURE OF OWNER OR OFFICIAL  
(928) 485-2451  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 13th DAY OF 2003

OFFICIAL SEAL  
LADAWN M. HAWKINS  
NOTARY PUBLIC - State of Arizona  
(SEAL) GRAHAM COUNTY  
My Comm. Expires June 17, 2006

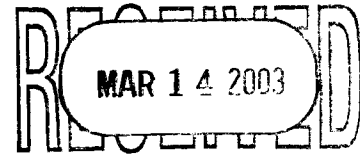
MY COMMISSION EXPIRES June 17, 2006

COUNTY NAME <u>Graham</u>	
MONTH <u>March</u>	YEAR <u>2003</u>

Ladawn M. Hawkins  
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION  
COMMISSION



Director of Utilities

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>Graham</u>	
NAME (OWNER OR OFFICIAL) <u>Steve M. Lines</u>	TITLE <u>General Manager</u>
COMPANY NAME <u>Graham County Electric Cooperative, Inc.</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2002</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 5,495,717

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 320,717  
IN SALES TAXES BILLED, OR COLLECTED

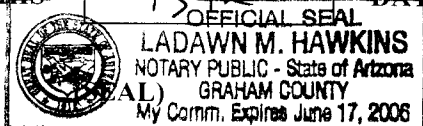
\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

X Steve M. Lines  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 13<sup>th</sup> DAY OF



MY COMMISSION EXPIRES June 17, 2006

NOTARY PUBLIC NAME <u>LADAWN M. HAWKINS</u>	
COUNTY NAME <u>Graham</u>	
MONTH <u>March</u>	<u>20 03</u>

X Ladawn M. Hawkins  
SIGNATURE OF NOTARY PUBLIC

Docket No. E-01749A

Year Ending: 12-31-02

Company Name: Graham County Electric Cooperative, Inc.

Rules to follow in designing the Income Statement and the Balance Sheet:

A. Arizona Administrative Code, R14.2.1115.F, states that one of the items required in this Annual Report is a statement of income for the reporting year similar in format to R14.2.103, Schedule (C) (1) or similar in format to R14.2.103 Schedule (E) (2). Also, the above-referenced Rule states that the income statement shall be Arizona-specific and reflect operating results in Arizona.

Unfortunately, the two Schedules referenced above are both designed for a rate case filing, and, as such, contain certain terminology, such as "test year", "actual (accounting data) for test year", "pro forma adjustments" and "test year results after pro forma adjustments", and contain references to two prior fiscal years, which are not applicable to this Annual Report. The illustration below eliminates the rate case terminology and presents the two acceptable formats for the statement of income (the first based on Schedule (C) (1) and the second on Schedule (E) (2)):

**\*\* THE INCOME STATEMENT SHOULD RESEMBLE EITHER FIGURE 1A OR FIGURE 1B, SHOWN BELOW. (IT'S NOT NECESSARY TO FILE BOTH.) EITHER USE FIGURE 1A OR FIGURE 1B, FOR YOUR INCOME STATEMENT FILING. THE INCOME STATEMENT SHALL BE ARIZONA-SPECIFIC, AND REFLECT OPERATING RESULTS IN ARIZONA: \*\***

FIGURE 1A	Per Books	Sales Tax	Franchise Fees	Per ACC Report
<u>Account Description</u>	<u>\$ Amount</u>			
Revenues:	11,072,588	667,729	43,892	11,784,209
Expenses:	10,995,498			
Operating Income:	77,090			
Net Income:	851,291			



Docket No. E-01749A

Year Ending: 12-31-02

Company Name: Graham County Electric Cooperative, Inc.

B. Arizona Administrative Code, R14.2.1115.F, states that one of the items required in this Annual Report is a balance sheet as of the end of the reporting year similar in format to R14.2.103, Schedule (E) (1). Also, the above-referenced Code section states that the balance sheet shall be Arizona-specific. Unfortunately, the Schedule referenced above is designed for a rate case filing, and, as such, contains certain terminology, such as "test year" and references to two prior Fiscal years, which are not applicable to this Annual Report. The illustration below eliminates the rate case terminology and presents the acceptable format for the balance sheet:

C ***\*\* THE BALANCE SHEET SHOULD RESEMBLE FIGURE 2 SHOWN BELOW  
AND SHALL BE ARIZONA-SPECIFIC: \*\****

**FIGURE 2**

**Account Description**

**\$ Amount**

**ASSETS**

Property, Plant & Equipment: 14,378,508

Current Assets: 2,439,814

Total Assets: 18,611,897

**LIABILITIES AND STOCKHOLDERS' EQUITY**

Capitalization: 7,334,144

Current Liabilities: 1,332,294

Total Liabilities and Stockholders' Equity: 18,611,897